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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

UNITED STATES OF AMERICA,

Plaintiff,

v.

ROY KAHN,
aka BRAZIL,
aka RIO,
CHRISTOPHER ADAMS,
aka RONALD DAILEY,
IRWIN JOSE VARGAS,
aka CHEO,
aka IRWIN VARGAS MOLINA,
MANUEL LOPEZ,
aka KILOWATT,
WAYNE FABIAN,
aka FLACO,
GIUSEPPE CELLURA,
aka VENEZUELA,
aka CARLOS CORONA-PEDROZA,
aka JOSE ESCAMILLA,
aka RUBEN VALLEJO-ROMERO,
BRIAN PEREZ-AYALA,
aka RAMON ROSARIO,
ANDRES GARCIA,
aka ANDRES GARCIA-TORRES,
JESUS PARRA-FELIX,
aka CHUI,
MIGUEL FORTEZA-GARCIA,
aka MAIKY,
aka FORTACHON,
EDGARDO RIVERA-OCANA,
aka GUSY,
aka BARBER,
aka KALIF FLANDERS,

Defendants.

INDICTMENT

1:19 CR 46

CASE NO.

Title 21, United States Code,
Sections 841(a)(1), (b)(1)(C),
843(b), 846, 848(a) and (c);
Title 18, United States Code,
Section 1956(h).

JUDGE GWIN

COUNT 1

(Conspiracy to Manufacture, Distribute, and Possess with Intent to Distribute
Controlled Substances and Controlled Substance Analogues,
21 U.S.C. §§ 841(a)(1) and (b)(1)(C), all in violation of 21 U.S.C. § 846)

The Grand Jury charges:

1. From on or about January 1, 2015 to on or about January 1, 2018, the exact dates unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division, the Federative Republic of Brazil, and elsewhere, Defendants ROY KAHN, aka BRAZIL, aka RIO, CHRISTOPHER ADAMS, aka RONALD DAILEY, IRWIN JOSE VARGAS, aka CHEO, aka IRWIN VARGAS MOLINA, MANUEL LOPEZ, aka KILOWATT, WAYNE FABIAN, aka FLACO, GIUSEPPE CELLURA, aka VENEZUELA, aka CARLOS CORONA-PEDROZA, aka JOSE ESCAMILLA, aka RUBEN VALLEJO-ROMERO, BRIAN PEREZ-AYALA, aka RAMON ROSARIO, ANDRES GARCIA, aka ANDRES GARCIA-TORRES, JESUS PARRA-FELIX, aka CHUI, MIGUEL FORTEZA-GARCIA, aka MAIKY, aka FORTACHON, EDGARDO RIVERA-OCANA, aka GUSY, aka BARBER, aka KALIF FLANDERS, Danny Rodriguez, aka "Cejas," aka "Rah Rah" (named but not indicted herein), and others known and unknown to the Grand Jury (hereinafter, the "KAHN Drug Trafficking Organization" or "the Organization"), did knowingly, and intentionally combine, conspire, confederate, and agree with each other to manufacture, distribute, and possess with the intent to distribute mixtures and substances containing a detectable amount of the following controlled substance analogues, as defined in 21 U.S.C. § 802(32), intended for human consumption, as provided in 21 U.S.C. § 813, and controlled substances:

A. MethoxyAcetylFentanyl (MAF), a Schedule I controlled substance analogue until September 11, 2017, and a Schedule I controlled substance thereafter;

- B. Phenyl Fentanyl (Benzoyl Fentanyl), a Schedule I controlled substance analogue until February 6, 2018, and a Schedule I controlled substance thereafter;
- C. Phenylacetyl Fentanyl, a Schedule I controlled substance analogue until February 6, 2018, and a Schedule I controlled substance thereafter;
- D. Tetramethyl Cyclopropyl Fentanyl, a Schedule I controlled substance analogue until February 6, 2018, and a Schedule I controlled substance thereafter;
- E. ADB-FUBINACA, a Schedule I controlled substance analogue until April 10, 2017, and a Schedule I controlled substance thereafter;
- F. FUB-AMB, a Schedule I controlled substance analogue until November 3, 2017, and a Schedule I controlled substance thereafter;
- G. N-Ethyl Pentylone (BK-EDBP or Ephylone), a Schedule I controlled substance analogue; and
- H. Suboxone (Buprenorphine), a Schedule III controlled substance.

All in violation of Title 21, United States Code, Sections 841(a)(1), and (b)(1)(C).

MANNER AND MEANS OF THE CONSPIRACY

2. It was part of the conspiracy that:

a. ROY KAHN managed, controlled, and operated the KAHN Drug Trafficking Organization, a multi-state conspiracy that supplied large amounts of dangerous synthetic narcotics to inmates in numerous federal Bureau of Prisons (BOP) facilities through subterfuge. The Organization acquired large amounts of synthetic narcotics from suppliers in China. It then used a chemical process to infuse blank pieces of paper with these dangerous narcotics. The Organization created various types of printed materials disguised as legitimate correspondence using these drug-infused pages, including legal mail impersonating actual

attorneys. The Organization sent these disguised drug mailings to co-conspirators in BOP facilities, who distributed them to other inmates for a significant profit. The Organization then received payment and laundered the funds through a variety of means.

b. ROY KAHN, CHRISTOPHER ADAMS, and Danny Rodriguez arranged for shipments of MethoxyAcetylFentanyl (MAF), ADB-FUBINACA, FUB-AMB, N-Ethyl Pentylone, and other narcotics from synthetic narcotics suppliers in China. These suppliers sent shipments of these narcotics to post office boxes and other mailing addresses associated with the conspiracy. KAHN, ADAMS, Rodriguez, and others known and unknown to the Grand Jury acquired these shipments of synthetic narcotics from the mailing addresses on behalf of the conspiracy.

c. ROY KAHN and CHRISTOPHER ADAMS devised a chemical process that infused the synthetic narcotics into pieces of paper. These pieces of paper could be cut up into strips or tablets and smoked. KAHN and ADAMS created and used multiple clandestine laboratories to create large amounts of these drug-infused pages. At the height of production, the Organization was infusing at least one kilogram of N-Ethyl Pentylone, ADB-FUBINACA, or other synthetic narcotics a week, which resulted in the creation of at least 500 drug-infused pages at a time. Danny Rodriguez later assisted in this chemical infusion process.

d. The KAHN Drug Trafficking Organization created various types of printed materials that contained the drug-infused pages. The Organization created and manufactured these printed materials as a form of camouflage for the express purpose of circumventing BOP security protocols that otherwise prevented drugs from entering BOP facilities. Examples of these disguised drug mailings included legal mail, photographs,

obituaries, books, and pamphlets. Some of the drug mailings were disguised as products that were otherwise designed for children, such as Harry Potter coloring books.

e. One of the Organization's primary means of smuggling the drug-infused pages into BOP facilities was the use of fictitious legal mail – such as briefs, motions, and purported attorney-client letters – that the Organization often sent bearing the names of real attorneys. These attorneys did not authorize the use of their names for this purpose. In other cases, the Organization created fictitious attorney personas and created false websites with contact information for the fictitious law firms, thereby giving a false sense of legitimacy to the mailings.

f. ROY KAHN, IRWIN JOSE VARGAS, CHRISTOPHER ADAMS, Danny Rodriguez, and other co-conspirators known and unknown to the Grand Jury mailed these drug-infused pages into numerous BOP facilities across the United States to imprisoned co-conspirators for the purpose of further distribution within the prisons. KAHN recruited VARGAS and Rodriguez into the conspiracy based on their connections to groups of inmates in BOP facilities, including criminal gangs. These inmates became co-conspirators in the KAHN Drug Trafficking Organization who would distribute the disguised drug-infused pages throughout the BOP facility to various inmates for a significant profit.

g. The co-conspirator inmates paid ROY KAHN, IRWIN JOSE VARGAS, and Danny Rodriguez through a variety of means, including BOP's payment system, money orders, wire transfers, use of straw intermediaries, and mailings of cash and U.S. Treasury checks. Inmates structured initial fund transfers out of BOP facilities to be below the threshold that would otherwise require a warden's review and signature. KAHN, VARGAS, and Rodriguez also used corporate and business accounts to make these payments appear legitimate.

The Organization used a number of companies as part of this scheme, including Venture Zone, 1120 LLC, 236 LLC, Pink Broom Cleaning Services, New Horizons LLC, ShopVapeMods.com LLC, Santiago Auto Care Services, and Capu Auto & Sound. The Organization additionally used cryptocurrency as part of their scheme.

h. The KAHN Drug Trafficking Organization took other steps to hide the nature of their scheme. In addition to utilizing advanced drug smuggling techniques, incarcerated co-conspirators used other inmates' identities to hide their communications from BOP personnel and contacted other members of the Organization through contraband cell phones. Incarcerated co-conspirators also had drug parcels sent to other inmates, securing the parcel thereafter either through a confederate in the mailroom or convincing another inmate to retrieve it for them. Many of the co-conspirators often employed end-to-end encrypted communications, such as WhatsApp, in an attempt to avoid law enforcement detection.

i. The KAHN Drug Trafficking Organization used part of the profits from their BOP drug smuggling scheme to finance the purchase of fentanyl analogues and other opioids from China for the purpose of further distribution in the United States. KAHN and ADAMS purchased the fentanyl analogues from Chinese suppliers and had it shipped for further distribution to various locations, including Cleveland, Ohio.

ACTS IN FURTHERANCE OF THE CONSPIRACY

In furtherance of the conspiracy, and to effect the objects and conceal the existence thereof, Defendants and others performed acts in the Northern District of Ohio and elsewhere, including, but not limited to, the following:

3. On or about October 26, 2016, at approximately 9:03 a.m., ROY KAHN emailed a federal inmate using his personal email account. In the email, KAHN provided the address for

CHRISTOPHER ADAMS, KAHN's drug manufacturer, referring to him in code as a "paralegal." ADAMS has no paralegal training and he has never worked as a paralegal. KAHN told the inmate,

here's the address for the paralegal (the drug manufacturer):

CHRISTOPHER ADAMS

[redacted street address]

Pompano Beach, FL 33064

he also accepts money gram, but no western union

i have your invoice. it's \$1000 (the drug shipment will cost \$1,000).

4. On or about November 23, 2016, at approximately 11:59 a.m., a federal inmate called ROY KAHN using the BOP telephone system. The federal inmate asked KAHN to provide him the email address for a criminal co-conspirator. KAHN responded, "Alright, it's Roni, R.O.N.I, Dailey, D.A.I.L.E.Y, two thousand fifteen, the numbers, at [redacted] dot com." Both the email address and the alias, RONALD DAILEY, are associated with CHRISTOPHER ADAMS. The inmate replied, "Alright, let me read this; R.O.N.I.D.A.I.L.E.Y...?" KAHN added, "2015." The inmate agreed, and added, "Alright, I got that. Is everything straight though?" KAHN and the inmate then discussed various gang activities. KAHN then stated, "Go ahead and send that email request, and we'll get it approved (send the request for the drugs, and we'll get them to you)." The inmate replied, "Alright, I'm gonna do that right now. But if I ever have any kind of complications or problems, it's gonna be either me or Spank who's gonna hit this number. Ain't nobody else gonna get this line, you feel me?" KAHN replied, "Alright, you can call anytime."

5. On or about December 5, 2016, at approximately 12:22 p.m., ANDRES GARCIA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. VARGAS informed GARCIA that he was "looking for bills (looking to get payments

for the earlier drug shipments).” GARCIA responded, “I’ve been sending (my) sister messages...it could be that tomorrow at the latest (I will have a female third party send payment to you soon).” Later in the call, VARGAS and GARCIA discussed BRIAN PEREZ-AYALA. VARGAS told GARCIA to “tell BRIAN (PEREZ-AYALA) that tomorrow, I’ll put some for him tomorrow (we will send another shipment of drugs to PEREZ-AYALA tomorrow).”

6. From on or about December 19, 2016, to on or about January 14, 2017, GIUSEPPE CELLURA used his BOP email account to email IRWIN JOSE VARGAS at an email account that VARGAS had access to and controlled, with both of them writing in Spanish. During the communication, VARGAS told CELLURA, “brother I told you that is legal mail...that is already there, because the attorney (KAHN) is tracking it and it says that it arrived (the drug pages are at the BOP facility, but are still being screened as legal mail).” VARGAS added, “You have to be patient, because the arguments are good and more than one (there are more than one potent drug pages in the shipment).”

7. On or about December 28, 2016, at approximately 3:06 p.m., BRIAN PEREZ-AYALA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. On the call, VARGAS explained that someone else manufactures the drug-infused pages that PEREZ-AYALA ordered from VARGAS. VARGAS later discussed the drug-infused pages with PEREZ-AYALA. VARGAS stated, “What I found was a motion... that is the same, but with five documents. So that you have something there to read and you can recover really well (we are sending you five drug-infused pages hidden within a legal motion).” PEREZ-AYALA asked, “But is the case strong (are the drugs potent)?” VARGAS answered, “Someone told me the case wasn’t strong, but it’s supposed to have been done the same (another inmate questioned the quality, but these should be the same strength as the other drugs that you

received).” AYALA stated, “But the case I got here, was very strong because as soon as I came in, it was gone. It lasted three days (the drugs were so potent that I was able to sell all of it to other prisoners within three days).” VARGAS stated, “I sent you the same. I ordered them reprinted. Once you receive that, after three to four days, the motion is going to arrive for you.” Later in the conversation, PEREZ-AYALA asked VARGAS how VARGAS wants him to pay. VARGAS answered, “However you want...because this is going to be now, the motion is going to be large. You are going to make three dollars...” PEREZ-AYALA asked, “Three big ones? Three thousand?” VARGAS, “Three big ones...but you get it together, when you have one (thousand), you send it or five and five...however you want.”

8. On or about January 6, 2017, at approximately 7:09 p.m., GIUSEPPE CELLURA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. During the call, VARGAS told CELLURA that he “wished that he had good news,” but that he had not “heard from (his) lawyer (drug manufacturer).” VARGAS added, “The lawyer passed by the court, but that it was closed on Monday (the Organization was not manufacturing the drug-infused pages at the moment).” VARGAS told CELLURA that “the lawyer normally takes about seven to eight days when he goes to the court (it normally takes seven to eight days after the order for KAHN and the others to create the drug-infused pages).” When CELLURA asked VARGAS about “the guy,” VARGAS replied that the guy is “on vacation in Brazil (KAHN is in Brazil and cannot create the drug packages).” Later in the conversation, VARGAS described the quality of the drug-infused pages, “the guy has some pretty arguments (the drugs in the package are high quality), and you will see that it’s very professional (the disguised drug-infused pages are very convincing).” KAHN to and from Brazil

during the course of the conspiracy, committing acts in furtherance of the conspiracy in both countries.

9. On or about January 19, 2017, at approximately 2:58 p.m., BRIAN PEREZ-AYALA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. During the call, PEREZ-AYALA asked VARGAS “what’s happening?” VARGAS replied that his “friend, the chemist, should be returning at the end of the month from Brazil (KAHN has to return from Brazil to manufacture the narcotics that PEREZ-AYALA ordered from VARGAS).” VARGAS explained that was why he had told PEREZ-AYALA that he would have to wait a couple of weeks for the shipment.

10. On or about February 6, 2017, at approximately 10:46 a.m., JESUS PARRA-FELIX used his BOP email account to email IRWIN JOSE VARGAS at an email account that VARGAS had access to and controlled, with both of them writing in Spanish. PARRA-FELIX told VARGAS that soon they will see “about the (drug) pages also to see if we can get some outside (get you payment from someone on the outside).”

11. On March 14, 2017, at approximately 9:23 a.m., MIGUEL FORTEZA-GARCIA used his BOP email account to email IRWIN JOSE VARGAS at an email account that VARGAS had access to and controlled, with both of them writing in Spanish. FORTEZA-GARCIA wrote, “about the attorney I’m ready when they want you know my bro (I’m ready to get the drug-infused legal motions).” VARGAS replied, “Listen, I need you to call me to explain (it to) you.”

12. On or about March 17, 2017, at approximately 11:41 a.m. CHRISTOPHER ADAMS emailed a Chinese synthetic narcotics supplier, inquiring about fentanyl analogue products. ADAMS stated that the Organization “will need a steady supply for 5 – 10 kilos per

month to start. My orders will grow from there.” The Chinese supplier responded, “we can send sample in the METHOXYACETYL-F(entanyl) package, but we can’t afford such a huge order...” ADAMS replied, “I understand I can order them one by one when I place my orders, but will it continue to be available or are you just exhausting remaining stock? If you can guarantee a continuous supply I’ll give you an address for the sample and pay you for it.” The Chinese supplier responded, “Yes, we’ll supply it continuously.” It then listed new products:

Benzoyl fentanyl (Phenylfentanyl)

Phenylacetyl fentanyl

tetramethyl-cyclopropane-acarboxamide fentanyl (Tetramethyl Cyclopropyl Fentanyl)

ADAMS replied, “That is fantastic news. Please send 5-gram samples of each compound to:

William Marrero

[redacted] Jeffries Ave.

Cleveland, Ohio 44104

Let me know the cost and how you have numbered each compound. Please do not indicate the compound name on the packaging. Just a reference number (that) only we know.” The Chinese supplier agreed, stating, “We never use real name on shipment.”

13. On or about March 20, 2017, the Chinese supplier emailed CHRISTOPHER ADAMS, confirming that it had sent a shipment containing Methoxyacetyl Fentanyl, Benzoyl Fentanyl (Phenylfentanyl), Phenylacetyl Fentanyl, and Tetramethyl-Cyclopropane-Acarboxamide Fentanyl (Tetramethyl Cyclopropyl Fentanyl) to the Cleveland, Ohio address.

14. On or about March 28, 2017, MIGUEL FORTEZA-GARCIA used his BOP email account to email IRWIN JOSE VARGAS at an email account that VARGAS had access to and controlled, with both of them writing in Spanish. FORTEZA-GARCIA wrote, “Ok I sent the one

yesterday and only two today (I sent you the first payment for the drug-infused legal mailing yesterday and the other two today).” On or about March 29, 2017, VARGAS replied, “try to put together as much as you can and then we will see what we do, ok.” On or about March 30, 2017, FORTEZA-GARCIA responded, “Hey bro I have a person to whom I send \$ lives around here what I want is that Key (VARGAS’ girlfriend) or you communicate (with them) and they will send it to you what do you think (I have a non-incarcerated third party who can send you the payment for the drugs).”

15. On or about March 30, 2017, at approximately 9:20 a.m., MIGUEL FORTEZA-GARCIA used his BOP email account to email IRWIN JOSE VARGAS at an email account that VARGAS had access to and controlled, with both of them writing in Spanish. FORTEZA-GARCIA wrote, “Hey my bro what’s going on I’m waiting for the old lady to have them the 1,8 (an amount of money) in hand ok I hope you are good this is her number 787-321-[redacted]. her name is Elga.” “Elga” is FORTEZA-GARCIA’s family member who sent drug payments to VARGAS.

16. On or about April 1, 2017, at 5:33 p.m. EDGAR RIVERA-OCANA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. During the call, VARGAS asked, “What happened to the BARBER (RIVERA-OCANA). Did they take his phone (did BOP seize your phone)?” RIVERA-OCANA replied, referring to himself in the third person, and stating that he is just out of minutes on his phone. RIVERA-OCANA asked VARGAS to send more drug-infused pages to the BARBER (himself).

17. From on or about April 10, 2017, to on or about April 26, 2017, JESUS PARRA-FELIX emailed IRWIN JOSE VARGAS at an email account that VARGAS had access to and controlled, with both of them writing in Spanish. In the email conversation, PARRA-FELIX

spoke generally about how non-incarcerated individuals would send payments to VARGAS for the drug pages. During the conversation, PARRA-FELIX informed VARGAS that “a woman will call you in the afternoon regarding the lawyer that charges me 200 (I will have a woman that I know contact you regarding repayment for the drug shipment).” PARRA-FELIX informed VARGAS that he was sending the woman’s contact information in order for VARGAS to explain to her how to send the money and then stated, “just call her and have her give you the code.” VARGAS informed PARRA-FELIX, “I already picked up the ones from Marta, it was a hundred. Just now a man called to send something as well. He is from Texas, but he did not tell me how much he will send. Anyways, if he sends it I will let you know, okay.” Later in the conversation, VARGAS told PARRA-FELIX “Listen, the guy gave me three. With that you have given me six, which means you are on four (you only owe me \$400 more).” PARRA-FELIX replied, “My cellmate has the rest of the money for the attorney (KAHN).”

18. On or about April 12, 2017, at approximately 1:25 p.m., MANUEL LOPEZ called ROY KAHN using the BOP telephone system, with both of them speaking in both Spanish and English. During the call, LOPEZ stated he was out of “the hole (solitary confinement),” in Oklahoma (Oklahoma City FTC), and that he is being transferred to FCI McKean in Pennsylvania. LOPEZ asked, “why aren’t taking out the money I sent you (why haven’t you accepted the payments that I sent)? They sent me back two more of them s**ts, bro.” KAHN told LOPEZ to instead “green form it (use BP-199, a BOP form that authorizes the issuance of funds).” LOPEZ replied, “I can’t do nothing over two fifty (\$250) because the Warden’s gotta sign it and I don’t want draw that attention.” During the call, KAHN asked LOPEZ about “CHEO” (IRWIN JOSE VARGAS). KAHN asked LOPEZ, “What is his true name?” LOPEZ provided IRWIN VARGAS MOLINA’s name, misspelling his first name as “Irwing.” Later in

the conversation, KAHN told LOPEZ, "I could get the paralegal to start working on your thing again (I could send you more drug shipments)."

19. On or about April 25, 2017, a federal inmate called ROY KAHN using the BOP telephone system, with both of them speaking in both Spanish and English. During the call, the federal inmate told KAHN that the payment to KAHN should be finalized soon. During the conversation, KAHN told the federal inmate, "Hold on for a second...", then gave the phone to Danny Rodriguez, who greeted the federal inmate with, "Tighten that shit up n***er, tighten it up!" The federal inmate replied, "What's up n***er!? N***er, what's up!? How you doin' man?" During the conversation, the federal inmate asked Rodriguez, "Hey, are you f**king with the ticket (are you selling drugs)?" Rodriguez exclaimed in response, "Am I!" The federal inmate laughed and replied, "I know that's right!" The two then discussed an associate who was leaving prison soon and needed someone to act as a source of supply for narcotics. Rodriguez replied, "Tell him to call BRAZIL (KAHN)." Rodriguez asked the federal inmate where his associate lives and the federal inmate replied, "He's from New Orleans, he's rawer than me dog!" Rodriguez then repeated, "Tell him to call BRAZIL."

20. On or about April 30, 2017, at approximately 11:28 a.m., MANUEL LOPEZ called ROY KAHN using the BOP telephone system, with both of them speaking in both Spanish and English. KAHN informed LOPEZ that he was leaving for Brazil shortly. LOPEZ mentioned that he needed to contact "Rah Rah (Rodriguez)" to send him another "daily calendar." Later, LOPEZ stated, "I'm going to let you know, so you can put in that motion for the lawyer (I will order more narcotics from you)...I'm going to send four hundred dollars in the BP199. I'm going to do two of two hundred dollars because...anything over two fifty, these people will stop (sending \$250 or more in one transaction will result in BOP freezing the

transaction) and I don't want them to f**k this up for me...because they burned that MoneyGram thing everywhere (BOP has worked to prevent drug transactions over MoneyGram in its facilities)."

21. On or about May 1, 2017, at approximately 10:32 a.m., EDGARDO RIVERA-OCANA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. VARGAS greeted RIVERA-OCANA, "Hey, brother. How are you, man?" RIVERA-OCANA replied, "What's going on? Everything is fine?" VARGAS replied, "Yeah, well, you know how it is man. Well, you know...the Mercedes...the Mercedes got flooded and then they gave me a new 2017 Infinity, and some asshole came and hit me from behind." RIVERA-OCANA responded, "Damn," and VARGAS continued, "So, you know, damn, man...everything is fine. Listen, I told, I already told FORTACHON (FORTEZA-GARCIA) to tell BARBER to call to tell him that it is already on its way. (The narcotics package is on its way). There are four, which is two and two. Two for him, and two for FORTACHON." Later in that same conversation, VARGAS explained to RIVERA-OCANA, "I will do you a favor. You do your part over there. I give you a kick in the ass first, so you can take off. But, if you come and you spend it all, you smoke it all and you eat it all, then don't wait until they come again (I can front you the narcotics to get the business started, but you need to sell them and pay me if you want more drug shipments)." RIVERA-OCANA agreed, "Uh huh, yeah." VARGAS continued, "My buddy, BRAZIL (ROY KAHN), that's his job. You know what I mean. Every time he sends one of those papers, you have to give him five bucks. You know what I mean. It's five hundred bucks (KAHN charges \$500 for the drug-infused papers you are buying and you need to pay it). If you smoke it or eat it, it's not like he's not going to charge you. No, you have to pay him because that's his job (one way or another, KAHN has to be paid for the drugs that he

supplies). If you don't pay for it, I have to pay for it (I will have to take the loss if you do not pay for the narcotics). You know?" VARGAS continued, "The one who has to pay for it is me, because he (KAHN) is my friend and so, I'm not going to jeopardize my friendship with him for some measly 500 bucks." Later on in the conversation, VARGAS and RIVERA-OCANA discussed how RIVERA-OCANA can profit from the narcotics they are smuggling into the prison. VARGAS stated, "Listen, you can't be thinking like a smoker because you're not. You can't think like a, like a junkie, that's up to the junkie. The one that gets screwed is the addict (you cannot worry about how your drug selling activities might affect your customers). You cannot think for them. You have to think like, 'I'm the one who has this, I'm the one who has to make the profit.'"

22. On or about May 6, 2017, at 7:11 p.m., GIUSEPPE CELLURA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. During the call, VARGAS asked CELLURA, "Hey, and the job, how did the attorneys turn out (how were the drug shipments disguised as legal mail)? Professional?" CELLURA replied, "It's bad ass. That attorney is badass. He earns my respect." VARGAS replied, "That's his job. That's his dedication. He threw four motions at me at the same time and, the four, were accepted in court (all four drug shipments disguised as legal mail were successfully smuggled into BOP facilities)." CELLURA asked, "Was it the same article?" VARGAS replied, "It's the same mechanism...but you know he always changes it (the manufacturing is the same, but how they disguise it changes all the time)." CELLURA stated, "But always, in court, when you fight a case and it enters the same, they let all enter the same...When one wins, all win (if one of the disguised drug mailings gets in, then they all tend to get through without detection)."

23. On or about May 7, 2017, at 7:11 p.m., GIUSEPPE CELLURA called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. CELLURA complained to VARGAS that his “friend” had been calling VARGAS (a third party outside the prison was trying to contact VARGAS in order to make a payment for the smuggled narcotics), but that VARGAS was not answering the phone. CELLURA then added that his friend “has your pesitos (has the money that I owe you).” CELLURA advised VARGAS that he would provide his associate the information needed so that he would be able to “do the Walmart2Walmart (a form of third party payment).” VARGAS replied that was fine, and instructed CELLURA to call him if something went wrong, and added that he would advise CELLURA when to “invoice.”

24. On May 8, 2017, at approximately 10:32 a.m., Danny Rodriguez called IRWIN JOSE VARGAS on the telephone, with both of them speaking in both Spanish and English. During the call, Rodriguez asked, “Listen, the books (disguised drug shipments) that I sent to El Cuevo (an inmate co-conspirator) got there, right?” VARGAS affirmed, “Yeah, they all got there, El Cuevo’s made it there. The only one that hasn’t called me to confirm is G, but, but El Cuevo got it, and all the others (we successfully smuggled the disguised drugs shipments into the prisons). But look, I need two...to send. I mean two for each one, and BRAZIL told me that you were going to send it (KAHN said that you were going to send the promised drug shipments).” Rodriguez answered, “I’m going to send it when you send...because I’m tired of sending books and all of your inventions – when you send the papers!” VARGAS laughed and said, “You are a ball buster!” Rodriguez continued, “Listen, bro, well, you know, you know I spent two days on the job with those books, brother. It’s a lot of work (it is very difficult to create the books and other items that we use to smuggle the drugs into the prisons).” VARGAS

affirmed, "No, I know." Rodriguez continued, "...a lot of work, but if it works, it's worth it. That's for sure. Everything else keeps getting caught (the disguised drug-infused pages seem to be the only reliable way to get drugs into prisons)." VARGAS replied, "No, and that's where the money is, that's money that is steady and for sure, and it never fails." Rodriguez agreed, "That money never fails me." Rodriguez continued, "The other, the other job has been more difficult, more difficult. You know what I'm saying?" VARGAS replied, "Yeah," and Rodriguez continued, "The...the obituaries, and the legal papers...it's making, it's making a lot of people snitch, and it's heating up (BOP personnel are starting to identify the drug shipments disguised as obituaries and legal mail)." VARGAS and Rodriguez discussed the difficulties of getting the drug shipments into BOP facilities, with VARGAS stating, "BRAZIL was telling me that at Coleman (FCI Coleman, Florida) things were getting hard, ya know? That over there at Coleman things were getting hard, in Coleman, to get it in there is tough." Rodriguez replied, "Buddy, I have a lot of people in solitary. I'm telling you that it's been falling through everywhere, brother. That's why we had to, we had to change it (we had to change how we hide the drugs in the mailing)." VARGAS agreed, "Yeah. No, we have to...we have to continue with the legal motions, the motions work the best." Rodriguez disagreed, "No, no, no, that too, buddy, that is getting complicated too. They are making copies (the guards are making copies and keeping the originals that contain the narcotic residue)."

25. On or about May 15, 2017, at approximately 7:19 p.m., WAYNE FABIAN called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in Spanish. After initial greetings, FABIAN asked VARGAS, "Do you remember the first time, the thing with the three pages (do you recall the first drug-infused pages that you sent me)?" VARGAS did not understand and FABIAN explained that the recent drug-infused pages

smuggled into the prison were lower quality than the three drug-infused pages that the Organization originally sent him, "The reason that I was explaining that to you was because he (KAHN) had already sent the same thing to Chino and Chino had problems because the thing (drug page) isn't working." FABIAN explained that he had asked someone to "tell CHEO (VARGAS) that I said to send me the same and the same way (send the same type as the original drug pages) ... And when I came to see, what BRAZIL (KAHN) sent me was that deceased stuff (FABIAN did not want the drug-infused obituaries, as he believed that they were lower quality)." VARGAS asked if KAHN sent FABIAN "the legal" papers. FABIAN replied that KAHN "sent me that deceased stuff (obituaries)...that paper, blue and white..." FABIAN explained that he is now selling the "little fish" (a book containing an earlier order of the Organization's disguised drug-infused pages) and that "the last good thing that I received were the three white sheets." VARGAS, "The motion?" FABIAN, "The motion, yes. Those sheets were very good (the drugs infused into the legal motion were higher quality)." VARGAS explained that others had similar complaints and that he brought them up to KAHN because "I don't handle that. Remember, He and Rah Rah deal with that over there (KAHN and Rodriguez handle mailing and manufacturing)." VARGAS explained the process that they use to make the drug-infused narcotics pages, "I saw it. The job is badass. They drown those sheets...and then they hang them...like photographs, they have them with clips and leave them to dry...because they don't put that on with a spray, they drown them. Because I went with them once to do it and it's bad ass." At the end of the conversation, VARGAS discussed how to make this right for FABIAN and asked FABIAN to wait until KAHN gets back from Brazil.

26. On or about May 19, 2017, at approximately 7:29 p.m., WAYNE FABIAN called IRWIN JOSE VARGAS using the BOP telephone system, with both of them speaking in

Spanish. VARGAS explained that he spoke with BRAZIL about FABIAN's complaint, and that "he got all worked up." Later in the call, VARGAS told FABIAN, "Listen, there's something else. There's one more thing. What they call it is Molly (MDMA)..." FABIAN replied, "Oh, Molly, Molly?" VARGAS stated, "Listen, that is bad ass. Look, the only thing is that doesn't allow you to sleep. I ate a bit of that because (of) that f**king BRAZIL (KAHN)..." FABIAN told someone in the background "That n***a got Molly on paper, bro." FABIAN said, "Listen, listen, wait, wait. You're telling me that he (KAHN) is putting that on paper too?" VARGAS replied, "Yes, we can put that on paper." FABIAN asked, "(Can you send) it over here to try it?" VARGAS responded, "That can be made on the paper because you know that can be eaten, sniffed, smoked. That's like the other thing." FABIAN stated, "Send some, then, send some over here what you can..." VARGAS responded, "I'm going to tell them to try it because that's really bad ass. The only thing is that it doesn't let you sleep. I ate a bit, and I couldn't sleep for almost two days." During the course of the conspiracy, the Organization infused pages with N-Ethyl Pentylone and other related synthetic narcotics that had properties similar to MDMA (Molly).

27. On or about May 22, 2017, at approximately 11:55 a.m., CHRISTOPHER ADAMS emailed a Chinese supplier, ordering four kilograms of ADB-FUBINACA. In order to avoid law enforcement detection, ADAMS asked that the supplier split the shipment into four different deliveries sent to multiple addresses. On May 26, 2017, the Chinese supplier confirmed the shipment of the synthetic narcotics.

28. On or about May 30, 2017, at approximately 8:13 p.m., MANUEL LOPEZ called IRWIN JOSE VARGAS using the BOP telephone system. VARGAS asked LOPEZ if things are going well. LOPEZ replied, "the situation here is there is a lot of consummation and there's not

a lot of vegetation (we have a lot of customers, but BOP is stopping a lot of the smuggled drugs)." LOPEZ continued, "And the RIO (KAHN), what a mess. I send him texts and everything and he hasn't responded." VARGAS explained, "The RIO, he arrived today. I think he arrived today." LOPEZ stated that he sent KAHN his money and, "maybe, when he settles in, he'll reach back out to me." VARGAS and LOPEZ then discuss other inmate co-conspirators, complaining that some were not producing. Later in the call, LOPEZ stated, "and Cejas, Danny (Rodriguez), that f***er. I text him and text him and he doesn't respond back. I'm waiting to speak to the RIO (KAHN) to ask him what's going on with this f***ker." LOPEZ ended the conversation stating, "Tell Danny to contact me."

29. On or about June 13, 2017, a federal inmate called ROY KAHN using the BOP telephone system, with both of them speaking in Spanish. The federal inmate stated, "I was checking, I had received the...what you call it, like Friday." KAHN replied, "Ok, cool." The federal inmate continued, "It was a book (I received the drug-infused pages in a book)." KAHN interrupted, "You know I put a little extra...I put, uh, a little extra money in your account this time." The federal inmate responded, "So, I was trying to ask, right?" KAHN continued, "It's actually, it's double the amount that I usually put on your books." The federal inmate replied, "Oh ok. So, they was in the front or the back (are the pages with the drugs saturated into in the front or the back of the book)?" KAHN replied, "The back." The federal inmate continued, "Oh, ok. So you're saying the last eight (the last eight pages have drugs in them)?" KAHN paused, then answered, "Ten (the last ten pages are drug-infused)." The federal inmate stated, "Oh, ok."

30. On or about July 12, 2017, JESUS PARRA-FELIX attempted to possess a shipment of “legal mail” that was infused with ADB-FUBINACA sent to him by the KAHN Drug Trafficking Organization.

31. On or about July 14, 2017, MIGUEL FORTEZA-GARCIA attempted to possess a shipment of “legal mail” that was infused with ADB-FUBINACA sent to him by the KAHN Drug Trafficking Organization.

32. On or about July 20, 2017, at approximately 6:45 p.m., a federal inmate called ROY KAHN using the BOP telephone system. KAHN was in Brazil at that time and engaged in overt acts in furtherance of the drug trafficking conspiracy while there. KAHN and the federal inmate discussed a BOP memoranda regarding the seizures of paper mail containing colored pages. KAHN told the inmate that “the same publication was sent to your buddy.” The inmate responded, “Yeah. He hasn’t received it yet (BOP also seized the other inmate’s drug parcel).” The inmate asked if “Cox (another federal inmate) been having any issues (has BOP seized Cox’s mail)?” KAHN replied, “Nope.” The inmate stated, “Cool, well that’s perfect.” KAHN ended the call, stating, “I got to go ‘cause this call is costing me a million dollars ‘cause I’m out of the country.”

33. On or about July 27, 2017, MANUEL LOPEZ attempted to possess a shipment of “legal mail” that was infused with ADB-FUBINACA sent to him by the KAHN Drug Trafficking Organization.

34. On or about September 1, 2017, the KAHN Drug Trafficking Organization attempted to send BRIAN PEREZ-AYALA a shipment of drug-infused pages through a book distribution company.

35. On or about September 1, 2017, the KAHN Drug Trafficking Organization attempted to send ANDRES GARCIA a shipment of drug-infused pages through a book distribution company.

36. On or about September 18, 2017, Danny Rodriguez called a co-conspirator whose name is known to the Grand Jury on the telephone. During the call, Rodriguez stated that an incarcerated co-conspirator was caught for “introducing K-2 (synthetic cannabinoids) into the institution.” Rodriguez explained that he sent the co-conspirator the drugs hidden in the pages of a legal brief and that “the brief joint, is all the way dead... The last six we sent out, none got there. What’s happening now is when an institution receives legal mail, they calling the lawyer. They call, they Googling it to see if that’s a real lawyer... That’s why legal mail don’t work.” During the course of the conspiracy and in an attempt to circumvent this BOP countermeasure, the Organization created websites for fictitious law firms listing contact information that re-directed to co-conspirators.

37. On or about September 24, 2017, at approximately 10:18 a.m., a federal inmate called Danny Rodriguez using the BOP telephone system. Rodriguez discussed how they could send the drug-infused pages into the prisons, listing the various ways that they have smuggled them into BOP facilities in the past, including “kid pictures” and “pictures, obituaries, exhibits.” Rodriguez and the inmate co-conspirator settled on sending blank drug-infused pages into the BOP facility.

38. On or about December 7, 2017, in Cleveland, Ohio, IRWIN JOSE VARGAS possessed a partial drug ledger that contained the names of a number of incarcerated inmates to whom the KAHN Drug Trafficking Organization sent drug-infused pages.

All in violation of Title 21, United States Code, Section 846.

COUNT 2

(Continuing Criminal Enterprise, in violation of 21 U.S.C. §§ 848(a) and (c))

The Grand Jury further charges:

39. The factual allegations in paragraphs 1 through 38 are re-alleged and incorporated by reference in this count, as though fully set forth herein.

40. From on or about January 1, 2015 to on or about January 1, 2018, the exact dates unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division, the Federative Republic of Brazil, and elsewhere, Defendant ROY KAHN, aka BRAZIL, a.k.a. RIO, did knowingly and intentionally engage in a Continuing Criminal Enterprise in that he violated Title 21, United States Code, Sections 841(a)(1), (b)(1)(C), and 846, including, but not limited to, the violations alleged in Count 1 of this Indictment, which are incorporated herein by reference. The above-described violations were, and are, part of a continuing series of violations of those statutes.

41. These continuing series of violations were undertaken by ROY KAHN in concert with at least five other persons with respect to whom ROY KAHN occupied a position of organizer, a supervisory position, and any other position of management, including, but not limited to, the following individuals: CHRISTOPHER ADAMS, IRWIN JOSE VARGAS, MANUEL LOPEZ, WAYNE FABIAN, and Danny Rodriguez.

42. From this continuing series of violations, ROY KAHN obtained substantial income and resources.

All in violation of Title 21, United States Code, Sections 848(a) and (c).

COUNT 3

(Money Laundering Conspiracy, in violation of 18 U.S.C. § 1956(h))

The Grand Jury further charges:

43. The factual allegations in paragraphs 1 through 38 are re-alleged and incorporated by reference in this count, as though fully set forth herein.

44. From on or about January 1, 2015 to on or about January 1, 2018, the exact dates unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division, the Federative Republic of Brazil, and elsewhere, Defendants ROY KAHN, aka BRAZIL, aka RIO, CHRISTOPHER ADAMS, aka RONALD DAILEY, IRWIN JOSE VARGAS, aka CHEO, aka IRWIN VARGAS MOLINA, MANUEL LOPEZ, aka KILOWATT, WAYNE FABIAN, aka FLACO, GIUSEPPE CELLURA, aka VENEZUELA, aka CARLOS CORONA-PEDROZA, aka JOSE ESCAMILLA, aka RUBEN VALLEJO-ROMERO, BRIAN PEREZ-AYALA, aka RAMON ROSARIO, ANDRES GARCIA, aka ANDRES GARCIA-TORRES, JESUS PARRA-FELIX, aka CHUI, MIGUEL FORTEZA-GARCIA, aka MAIKY, aka FORTACHON, EDGARDO RIVERA-OCANA, aka GUSY, aka BARBER, aka KALIF FLANDERS, Danny Rodriguez, aka "Cejas," aka "Rah Rah" (named but not indicted herein), and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate, and agree to commit certain offenses under Title 18, United States Code, Section 1956, in that they conducted and attempted to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, conspiracy to manufacture, distribute, and possess with intent to distribute controlled substances and controlled substance analogues, in violation of Title 21, United States Code, Sections 841(a)(1) and 846, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of said specified unlawful

activity, and while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

45. The manner and means used to accomplish the objectives of the conspiracy included, among other things, the following:

- A. Defendants incorporated, created, and otherwise used a series of front companies and accompanying bank accounts that appeared legitimate, but were in fact designed in whole or in part to assist in the laundering of unlawful proceeds. For instance, on or about December 8, 2016, KAHN set up a business account for Venture Zone Sales LLC and thereafter received numerous payments tied to drug trafficking activity.
- B. Defendants used the BOP inmate electronic funds transfer service to send and receive drug trafficking payments, concealing their nature by describing them as “legal fees” or other similar terms. These transactions were structured to be below the monetary limit that would otherwise require a warden’s review and approval. For instance, between on or about January 4, 2017 to on or about January 10, 2017, MANUEL LOPEZ sent multiple payments below the warden approval threshold to ROY KAHN, describing a number of them as “legal fees.”
- C. Defendants used multiple third party straw senders operating outside of BOP facilities to facilitate drug transactions.
- D. Defendants communicated in code regarding various methods of clandestine payments. For instance, on or about March 28, 2017, MIGUEL FORTEZA-GARCIA and IRWIN JOSE VARGAS communicated regarding FORTEZA-

GARCIA using one or more third party straw senders to facilitate a drug transaction and hide the resulting profits.

- E. Defendants utilized money service businesses, U.S. Treasury checks, and money orders to pay for drug transactions while concealing the nature of their enterprise. For instance, on or about June 2, 2017, ROY KAHN received a deposit into one of his corporate accounts of a \$200 U.S. Treasury check addressed to him with a notation that it was for "Legal Fees."

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS 4-19

(Drug Communications, in violation of 21 U.S.C. § 843(b))

The Grand Jury further charges:

46. The factual allegations in paragraphs 1 through 38 are re-alleged and incorporated by reference in this count, as though fully set forth herein.

47. On or about the dates and times listed below, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants listed below did knowingly and intentionally use a communication facility to facilitate acts constituting a felony under Title 21, United States Code, Sections 846 and 841(a):

<u>Count</u>	<u>Defendants</u>	<u>Date</u>	<u>Time</u>	<u>Type of Communication</u>
4	IRWIN JOSE VARGAS ANDRES GARCIA	December 5, 2016	12:22 p.m.	Phone
5	IRWIN JOSE VARGAS BRIAN PEREZ-AYALA	December 28, 2016	3:06 p.m.	Phone
6	IRWIN JOSE VARGAS GIUSEPPE CELLURA	January 6, 2017	7:09 p.m.	Phone
7	JESUS PARRA-FELIX IRWIN JOSE VARGAS	February 6, 2017	10:46 a.m.	Email
8	MIGUEL FORTEZA- GARCIA IRWIN JOSE VARGAS	March 14, 2017	9:23 a.m.	Email

<u>Count</u>	<u>Defendants</u>	<u>Date</u>	<u>Time</u>	<u>Type of Communication</u>
9	CHRISTOPHER ADAMS	March 17, 2017	11:41 a.m.	Email
10	MIGUEL FORTEZA-GARCIA IRWIN JOSE VARGAS	March 30, 2017	9:20 a.m.	Email
11	EDGARDO RIVERA-OCANA IRWIN JOSE VARGAS	April 1, 2017	5:33 p.m.	Phone
12	ROY KAHN MANUEL LOPEZ	April 12, 2017	1:25 p.m.	Phone
13	EDGARDO RIVERA-OCANA IRWIN JOSE VARGAS	May 1, 2017	10:32 a.m.	Phone
14	IRWIN JOSE VARGAS	May 8, 2017	10:32 a.m.	Phone
15	IRWIN JOSE VARGAS WAYNE FABIAN	May 15, 2017	7:19 p.m.	Phone
16	IRWIN JOSE VARGAS WAYNE FABIAN	May 19, 2017	7:29 p.m.	Phone
17	CHRISTOPHER ADAMS	May 22, 2017	11:55 a.m.	Email
18	IRWIN JOSE VARGAS MANUEL LOPEZ	May 30, 2017	8:13 p.m.	Phone
19	ROY KAHN	July 20, 2017	6:45 p.m.	Phone

All in violation of Title 21, United States Code, Section 843(b).

FORFEITURE

The Grand Jury further charges:

48. The allegations of Counts 1 through 19, inclusive are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 21, United States Code, Section 853 and Title 18, United States Code, Section 982. As a result of the foregoing offenses Defendants ROY KAHN, aka BRAZIL, aka RIO, CHRISTOPHER ADAMS, aka RONALD DAILEY, IRWIN JOSE VARGAS, aka CHEO, aka IRWIN VARGAS MOLINA, MANUEL LOPEZ, aka KILOWATT, WAYNE FABIAN, aka FLACO, GIUSEPPE CELLURA, aka VENEZUELA, aka CARLOS CORONA-PEDROZA, aka JOSE ESCAMILLA,

aka RUBEN VALLEJO-ROMERO, BRIAN PEREZ-AYALA, aka RAMON ROSARIO, ANDRES GARCIA, aka ANDRES GARCIA-TORRES, JESUS PARRA-FELIX, aka CHUI, MIGUEL FORTEZA-GARCIA, aka MAIKY, aka FORTACHON, EDGARDO RIVERA-OCANA, aka GUSY, aka BARBER, aka KALIF FLANDERS, shall forfeit to the United States any and all property constituting or derived from any proceeds they obtained directly or indirectly as a result of the said violations; and, any and all of their property used or intended to be used in any manner or part to commit or to facilitate the commission of the said violations; and any property, real or personal, involved in such offense, or any property traceable to such property.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.